

SA-E - Mr. Eddy

SA-E - Mr. Klaus

JIOA

REVIEWED BY <u>John</u>	DATE <u>3/15/47</u>
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TS AUTH. <u>REASON(S)</u>	
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I have come to the conclusion that it is unwise for the Department to continue participation in the Governing Committee of JIOA. Hence I recommend that you take appropriate action to withdraw our participation for the reasons and upon the conditions which I am setting out below.

In general, I have become convinced that JIOA is not, so far as we are concerned, making any contribution to the Department's performance of its intelligence function, nor is it likely to be availed of for that purpose; that the function of facilitating the entry of German scientists and technicians, envisaged in SWNCC 257/5, can be effectively performed by the Department with its own machinery without concomitant participation in responsibility for JIOA activities which are not germane to the Department and over which we have no control; and that the information which JIOA possesses can be obtained more effectively directly from the departments concerned, such as the War Department, through routine intelligence liaison. On the other hand, continued participation in JIOA is affirmatively stultifying and may entail serious embarrassment.

1. Assistant Secretary Braden and Assistant Secretary Hildring have sought on a number of occasions to obtain from either the War Department or JIOA information concerning the persons who are being brought into the United States under the Paper Clip program (SWNCC 257/24) and information concerning persons who have been rejected and sent back. Thus far, we have been given no such information although we have repeatedly requested it orally and in writing. The Paper Clip program specifically calls for the making up of a list of all persons to be brought in to be certified by JIOA as the "U. S. Exploitation List" and JIOA is required to be informed of all rejections after arrival. The Director of JIOA, a Colonel Ford, after several evasive replies, has finally made the statement that neither the State Department member of the JIOA Governing Committee nor the State Department itself is entitled to have this information, that he considers it classified, and that the State Department is entitled to participate only in policy decisions in JIOA and not in operations other than the issuance of visas. The situation therefore is one in which the State Department bears a public as well as

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governmental responsibility for a program over which it has in actual fact no control and not even any information to enable it to carry out its international commitments and foreign policies, to say nothing of the commitments to the American people which are implied in its sponsorship of JIOA.

2. The problem presented is not one of the correctness of the Director's position, or his attitude; it may go to the entire JCS structure of which JIOA is an agency. Of course, JIOA has nothing to do with policy formulation - that is a SWNCC function, and the attempt to have us pass on the "policy" papers of JIOA merely burdens the Department. Unless the operations of the agency are open to the scrutiny, and are carried on subject to the direction, of the Governing Committee, acting for the member Departments, there is no function left in JIOA which the Department or its representative can perform commensurate with the responsibility the Department assumes by lending its name and credit to the JIOA operation.

3. The situation has become acute in consequence of the recent refusal of the Secretary of War to take the responsibility for bringing into the United States certain persons selected by the Department of Commerce for jobs with American firms. The Secretary of War's office seems to take the view that it is apparent from the lists of persons involved that their exploitation here will have little relation to the national security for which the War Department is concerned, and it may have to explain why government funds were expended and priorities given for the movement of these persons to the United States in the primary interest of private American business enterprises. The War Department has therefore requested that the State and Navy Departments evidence their participation in the responsibility for bringing these Commerce nominees into the United States. Since the JIOA Director has consistently failed to submit any other nominees to the scrutiny of the State Department, or even to make their names known, this proposal of the Secretary of War was dressed up as a "policy paper" of JIOA and my concurrence was requested. After consultation with Colonel Booth and Mr. O'Sullivan of General Hilldring's office, I have taken the position that the Department will accept for some action the list of names submitted by Commerce as a partial performance of JIOA's Director's duty to submit to the Department all names constituting the "U.S. Exploitation List" called for by

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paragraph 2 of SWNCC 257/24. I have made the point that if the Department is not entitled to any information with respect to the Germans brought over by JIOA the present proposal is irrelevant and the War Department should consult its Counsel or SWNCC for clarification of its obligations. On the other hand, I have said, participation in this certification to ease the responsibility of the War Department would call for complete participation by the Department as one of the JIOA member agencies over the operations of JIOA.

A written statement to this effect is now being prepared by General Hilldring's office. It is clear from this incident that the service departments and the Directorate of JIOA propose to use the State Department as a shield to protect the military services in the event of legal or public criticism while not permitting the State Department to exercise any of the correlative attributes of responsibility, namely operational control or knowledge of operations. We are thus in a position of a large minority stockholder or member of a board of directors whose name is being used to endow with prestige the management of a business enterprise in which in fact he is not permitted control or real participation or access to what is being done in his name and on his credit.

4. This situation is further complicated by the fact that JIOA has other functions in which the State Department has no interest at all, such as the function of declassifying military documents. We may be charged with responsibility for errors in these regards too, where we have no function. Apparently we were placed in JIOA solely because someone assumed that by this device permanent immigration visas would be issued, as it were over the counter on demand, by the State Department member of the Governing Committee to any Germans whom the services nominated. The notion is naive. The situation is one therefore in which the military officers connected with JIOA have every incentive to maximize the number of permanent visas granted to Germans, and to use every sort of effort to make their careers in JIOA successful in this regard, while the Department is constantly accused of frustrating the program, and presumably the personal careers, of the military personnel involved. This is fundamentally unpleasant. The State Department has the statutory responsibility, the military services have none.

5. I am convinced that the Department can carry out its obligations of "facilitating" immigration visas as provided by SWNCC 257/6 in the same way that the immigration

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authorities of the Department of Justice and F.B.I. facilitate them without being members in JIOA. The Department's control over policy in this field can be exercised effectively through its participation in SWNCC, and any incidental intelligence advantages which may be involved can be obtained through CIG or directly from the departments concerned.

6. So far as the Department's inter-American commitments are involved, the position taken by Mr. Acheson and Mr. Braden, that they must be observed in the administration of the program, would be supported by our access to information of the Combined Travel Board and to General Clay in Germany, and to the War Department in Washington.

7. My recommendation would result in leaving the operations of the Department under 257/5 where it now is, under the Director of the Office of Controls who is responsible for security, for counter-intelligence and the operations of the Visa Division. He could exercise those functions in consultation with other interested office and divisions of the Department, such as EI, GA, CE, A-Br, ARA and A-H.

8. As an addendum, it is interesting to note that the concern of the Secretary of War's office probably derives from a comparison of the list of nominees which the Director of JIOA is seeking to have us certify with the standards set out by SWNCC 257/5, Appendix C. Every effort is made in that document to set out a standard of "national interest" as distinguished from private interest. In paragraph 4 of Appendix A the following is stated as the basis of the civilian program:

"4. The type of person whose entry for civilian purposes is contemplated is restricted to German and Austrian specialists who can make a positive contribution to the scientific and industrial efforts of the United States. Such men include eminent physiologists, outstanding chemists, Nobel prize winners and leaders in many fields of scientific research and development. Their contribution, if added to our own, would advance the frontiers of scientific knowledge for the national benefit. All specialists must be carefully screened to insure against the importation of active Nazis."

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That the Commerce nominee list contained in JICA 1/16 fits the description may be subject to doubt. Nor does it seem clear that the Commerce Department has followed in its nominations a procedure of first offering the personnel to universities or otherwise assuring national exploitation rather than private exploitation. Perhaps that was done, but in that event the JICA Directorate has either not ascertained the facts or has chosen not to make them known to the Department.

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